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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, TRIPOLI — 327 DESP. NO. — COPY NO. 1 SERIES A

TO : THE DEPARTMENT OF STATE, WASHINGTON. — March 24, 1956 DATE

REF : Deptels Nos 397 of Mar. 13, 1956 and 419 of Mar. 19, 1956 to Tripoli; Tripoli Tel No. 526 of Mar. 22, 1956 to Dept.

	ACTION	DEPT.
For Dept. Use Only	REC'D	INFO OTHER

SUBJECT: Approach to Libyan Prime Minister

On the afternoon of March 22, 1956 I called on Libyan Prime Minister Mustafa BEN HALIM at his residence and carried out the instructions to me concerning U.S. assistance to Libya contained in Deptels 397 and 419 and in a letter dated March 13, 1956 from Deputy Under Secretary Robert Murphy.

The approach was designed to obtain from the Libyan Government certain concrete assurances with respect to its future relations with the Soviet Union and Egypt, with particular reference to the effect these relations might have on the United States position in Libya. In return for these assurances the United States Government would assist Libya with increased economic aid and would undertake to provide equipment for a modest increase in strength of the Libyan National Army.

A brief summary of the approach was contained in Embtel 526. A complete and detailed coverage is contained in the attached Memorandum of Conversation.

From the initial reaction of Prime Minister Ben Halim, it would appear that the approach has a good chance of achieving its objective. The Prime Minister expressed pleasure with the United States offer of assistance, promised to reject publicly outstanding Soviet offers and gave oral assurances on all points of Libyan-Soviet-Egypt relations of paramount interest to the United States. With regard to formalizing these assurances in a written document, he agreed to study the matter and to authorize the Permanent Under Secretary for Foreign Affairs to work on a draft with the Embassy's Counselor.

An analysis of the probable effect of the arrangements covered by this approach on future United States-Libyan relations will be contained in a subsequent despatch.

John L. Tappin
American Ambassador

Encl: 1 - Secret Memorandum of Conversation
Copies sent: AmEmbassies Benghazi and London
Dept. pouch: Paris, Paris for Wallner & Knight, London for CINCEUR, Bonn pass Wiesbaden for USAFE, Rome for Maffit, Rabat, Tangier, Algiers, Tunis, Moscow, Ankara, Karachi, Teheran, Amman, Baghdad, Beirut, Cairo, Damascus, Jidda, Tel Aviv.

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Memorandum of Conversation

March 22, 1956
3:30 p.m.

Participants: Mustafa BEN HALIM,
Prime Minister and Minister of Foreign Affairs
of the United Kingdom of Libya.

Suleiman Bey JERBI,
Under Secretary of Foreign Affairs
of the United Kingdom of Libya.

John L. TAPPIN,
American Ambassador to Libya.

David G. NES,
Counselor of Embassy,
American Embassy, Tripoli.

Ambassador Tappin and the Embassy's DCM, David G. Nes, met with Prime Minister Ben Halim at the latter's home shortly following a luncheon party given there in honor of the British Secretary of War, Mr. Anthony Head.

Ambassador Tappin stated that he had now received detailed instructions from Washington in response to the Prime Minister's letter of February 17, 1956 and that in accordance with them he was now prepared to discuss implementation of the formula suggested by the Prime Minister during his meeting with Mr. Nes on March 7 (Embtel 475). The Ambassador then outlined the seven items of assistance which the United States Government was prepared to extend to Libya (Subject I of attached memorandum). With respect to the first item, additional economic aid in the amount of $5 million for 1956, Ambassador Tappin stressed the fact that this was the figure twice suggested by the Prime Minister himself, during their after-dinner conversation of January 22, 1956, and at a conference in the Prime Minister's office the following day (Embtel 368 and Despatch 262), as one which was economically valid and politically feasible. The Ambassador also expanded slightly on Item 7, concerning arms assistance, by stating that an increase of 1,000 men was established in the light of Libya's internal budget limitations and the availability of necessary officer material.

When the Ambassador had completed his outline of the United States assistance offers, Mr. Nes said he would like to point out that according to the best calculations of the American Embassy economic staff, the additional economic assistance proposed would enable the Libyan Government to proceed with an economic development program and that, in fact, the funds available through

fiscal 1957 were slightly in excess of those required during this initial period to get such a program properly under way.

Ambassador Tappin then informed the Prime Minister of the basis on which the United States was able to contemplate continued assistance to Libya, including the five points contained in Subject II of the attached memorandum.

Using as an opening gambit the desire of the United States Government for reassurances concerning Libya's general attitudes towards her friendship with the United States, the Ambassador next stated that he would expect the Prime Minister to make either a public statement in Parliament answering Deputy Zugallai's question re Soviet offers or a statement to the press independent of Parliament clearly rejecting them (Subject III of the attached memorandum). This would fulfill the promise given to Mr. Nes on March 7 by the Prime Minister (Embtel 475) and would constitute the second step in the Prime Minister's formula.

The Ambassador then explained that additional United States assistance had been based on certain assumptions, namely that Libya would implement the verbal assurances given to the Ambassador and the Wheelus Air Force Base Commander, Colonel Cain, by the Prime Minister on January 18 (Embtel 357) with respect to his relations with the Soviet Union. The United States Government desires that these assurances be formalized in a written exchange of letters. The seven points to be covered (Subject IV of the attached memorandum) were then explained to the Prime Minister. Ambassador Tappin pointed out in addition that these assurances would necessarily have to apply to Soviet satellite countries as well as to the USSR itself (Subject V of the attached memorandum).

The Ambassador also said that the economic and arms assistance proposed would of course be covered by the usual agreements, as would the gift of famine relief wheat (Subject VI of the attached memorandum).

After reading Subject VII of the attached memorandum dealing with additional military facilities, Ambassador Tappin said that the decision of the United States Government, although necessarily based on budgetary and military considerations, would also be based of necessity on a confidence that Libya would provide a stable political climate over a long-term period.

The Prime Minister, who had taken notes throughout the above presentation, stated that he would reply point by point.

Although he would necessarily require time for full consideration of everything Ambassador Tappin had said, his first reaction to the economic aid offers was that they were eminently fair and demonstrated the good will of the United

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States toward Libya. His own words were: "I can now stand up and defend my policy of orientation to the West, which I wish to continue". After Ambassador Tappin had expressed his satisfaction with the Prime Minister's reaction, the latter reiterated: "I like this offer." Ben Halim then went into an impassioned defense of his tactics vis-a-vis the United States and stated that he had been "gambling", not because of disillusionment with the United States failure to implement "sympathetic consideration", but because of Libya's real and urgent need for economic development funds. He had always been aware of United States good will and had never intended to threaten or blackmail the United States with Soviet offers. Neither had he ever wished to change Libya's basic policy of orientation to the West. Libya was, is, and would continue to be a loyal friend. He had never intended to accept a Russian or "any other" offer of assistance. He did not trust or like the Russians. Had the temper of Parliament been such as to have forced acceptance of the Russian offers, Ben Halim stated he would have first resigned.

The Prime Minister then discussed the nature and extent of Egyptian pressure which had been exerted on him in an attempt to force him to accept the Soviet offers. Although Egypt had not made an "official" offer of economic or arms aid, Ambassador El Faki on instructions from Nasser had recently made a verbal demarche. In this demarche the Egyptians had promised that, were Libya to accept the Soviet offers, Egyptian aid supplementing them would be forthcoming to the extent required to relieve Libya on any further necessity for receiving aid from the United States and the United Kingdom. At this point Ben Halim said with a chuckle that Ambassador El Faki had hinted that Egypt would in effect be using United States aid funds in order to drive the United States out of Libya. In his own personal opinion, Ben Halim believed that Egyptian policy in Libya was now primarily designed to "upset" the United States and United Kingdom positions and that there was a good possibility the Egyptians were actually acting as agents of the Soviets in this regard. According to Ben Halim, he had vehemently turned down the Egyptian offer and had told Ambassador El Faki that Libya would honor her treaty relationships with the United States and United Kingdom. Furthermore, he had considered the "conditions" attached to the Egyptian offer entirely unacceptable. Digressing for a moment, the Prime Minister then referred to the Arab League and said that he thought Libya had made a great mistake in entering the League without "conditions", since Libya's interests in many cases were not identical with those of the other Arab States.

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Ben Halim then turned to the meeting of Parliament and said that he intended to hold a secret meeting on March 27 (since the formal opening of the National Bank would take place the 26th) at which he would answer Deputy Zugallai's question regarding Soviet offers by saying that Libya had in the past received full economic and political support from the United States and United Kingdom, that he had every reason to believe such support would continue and would satisfy Libya's needs, and that he would not therefore risk any association with the untried and unknown. Ben Halim explained that he wished to make his reply in secret session so that he could elaborate in detail on certain subversive activities in which the Soviet Embassy was already engaged and so that he could be frankly critical of the Soviet record in other areas. He would then ask for a vote of confidence, which he felt he would receive with only two or three dissenting votes. The next day the local press would announce that the Libyan Government had received a vote of confidence on its policy of rejecting the Soviet offers.

With regard to written assurances on the seven points in which the United States was interested, Ben Halim said he could give his oral commitment on all of them with the exception of Point 7, which seemed to limit Libya's right to accept aid from anyone (such as her sister Arab states) other than the United States and United Kingdom. Mr. Nes interrupted to say that this was not the intention and that the United States was only opposed to those offers of assistance specifically designed to compromise United States-Libyan relations. The Prime Minister then suggested that a formula might be devised which would take this factor into consideration and would emphasize that the "intent" of the offer would be the governing factor. As to putting these assurances into written form, Ben Halim pointed out that such a document would require Cabinet approval and that this might be difficult, since the Cabinet would immediately conclude that United States aid was conditional on written assurances limiting Libya's sovereignty. Ambassador Tappin interrupted at this point to say that there was certainly no intention on the part of the United States to make its aid "conditional" and that what was being discussed in effect was merely a statement of Libyan policy "as it in fact is". Such a statement would therefore be in accord with the assumptions as to that policy on which our extension of assistance was necessarily based. Mr. Nes pointed out also that, whereas the United States would never question the Prime Minister's "oral" assurances, Prime Ministers were essentially temporary spokesmen for their governments, as Ben Halim surely recognized, and that therefore a written expression of the Libyan Government's policy was necessary from the long-range viewpoint. The Prime Minister replied by saying that he would like to have more time to consider the form of such a letter of assurances and requested that Mr. Nes meet with Under Secretary Jerbi the next week to work on a draft.

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Ambassador Tappin then brought the conversation to a close by saying that he was certain his Government would be very gratified by the constructive attitude of the Prime Minister. The Ambassador mentioned that he would like to go to Tobruk to pay a courtesy call upon the King as soon as convenient. It was agreed that he and the Prime Minister would fly over together within the next week or ten days.

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Outline of Oral Presentation to be made by Ambassador Tappin to Prime Minister Ben Halim, 22 March 1956, in Conformity with Department's Instructions Deptels 397 and 419

I - PROPOSED ASSISTANCE FROM THE UNITED STATES

The United States Government has considered the Prime Minister's letter of February 17, 1956, setting forth Libya's estimate of its economic development requirements:

1. Within the general framework of this estimate the United States Government is prepared to grant before July 1, 1956 additional economic aid to Libya in the amount of $5,000,000, making a total of $9,000,000 in FY 1956;

2. The United States Government is prepared to ship to Libya before July 1, 1956, 5,000 tons of relief wheat in addition to the 7,200 tons now in the process of being shipped, thereby raising to 25,000 tons the amount of relief wheat furnished by the United States in FY 1956;

3. The United States Government is prepared, subject to legislative action by the Congress, to make available $7,000,000 in economic aid to Libya between July 1, 1956 and June 30, 1957, in addition to the $4,000,000 already scheduled, making a total of $11,000,000 for that fiscal year;

4. The United States Government is prepared to consider in accordance with law the provision of up to 25,000 tons of relief wheat to Libya between July 1, 1956 and June 30, 1957;

5. These actions are being considered by the United States Government in implementation of its commitment of 1954 to give sympathetic consideration to the economic needs of Libya in the light of the traditional friendship between the two Governments and in the light of the progress already made;

6. The U. S. Government will continue in the future to determine under its commitment of 1954 the extent to which it can contribute to the economic development of Libya after fiscal year 1957 and the actions of the Libyan Government as well as the progress achieved in economic development will continue strongly to influence the decision of the U. S. Government;

7. The United States Government is prepared between July 1, 1956 and June 30, 1957, subject to legislative action by the Congress, to assist the Libyan Government to expand the existing units of the Libyan Army to the extent of 1,000 men by providing such equipment as may be considered necessary after a United States military survey team has evaluated the requirements; and the United States Government is sympathetic with Libya's needs in relation to internal security and will hope to continue to cooperate in this field.

No bargain for us!

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II - BASIS FOR U.S.-LIBYAN COOPERATION

Upon the instructions of my Government, I must inform the Libyan Government as follows:

1. That the United States Government does not underestimate the mutual importance of the firm friendship and understanding now existing between the two Governments, but needs reassurances concerning the present attitude of the Libyan Government in this regard;

2. That the true purpose of American aid to Libya is and has been to advance the day when Libya can stand on its own feet economically;

3. That the U. S. does not believe that the Government of Libya would endanger this type of friendship and continuing cooperation for the untried and unknown;

4. That decisions regarding American aid to Libya have been rendered more difficult by the Libyan Government's relating the question of additional aid to the matter of Soviet offers;

5. That the Libyan Government should understand that the position of the United States Government in this regard cannot be influenced by such considerations. However, the decisions of the United States Government have been based on the assumption that the Libyan Government would not be willing to jeopardize its independence and collaboration with the free world by accepting such Soviet offers, which obviously have not been made to enhance the independence and integrity of the Libyan State.

III - In fulfillment of the promise to Mr. Nes on March 7, the Prime Minister is requested to make a public statement in Parliament or elsewhere to set forth clearly the fact that, although certain offers of aid have been made by the U.S.S.R., they will not be accepted in view of the following considerations:

1. Libya has in the past received both political and economic support from the United States and United Kingdom;

2. Libya has every reason to believe that this support will continue;

3. Acceptance of assistance from the U. S. has not involved any infringement of Libya's sovereignty;

4. There is no reason to give up the known and tried for the unknown and untried;

5. It would not be honorable to desert trusted friends.

IV - The Prime Minister is requested to furnish a formal written statement of Libyan Government policy regarding limitation of Soviet activities as outlined to

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[redacted]

Ambassador Tappin by the Prime Minister on January 18, 1956, as follows:

1. That the Soviet Diplomatic Mission will be restricted to normal size. (It is already larger than the U.S. and British Missions);

2. That the U.S.S.R. will not be permitted to open an information center or a cultural center;

3. That the Soviet Embassy will not be permitted to establish a radio transmitter;

4. That the U.S.S.R. will not be granted a petroleum concession in Libya;

5. That the U.S.S.R. will not be granted any access to Libyan air space;

6. That Soviet offers of economic, technical or military assistance will be rejected;

7. That Libyan acceptance of economic, technical, and military assistance offers from other states will be limited to those which do not endanger U.S.-Libyan relations.

V - It is presumed the above policy will apply to Soviet satellite countries as well as to the U.S.S.R. itself.

VI - The usual agreements covering economic assistance, famine relief wheat and arms assistance will naturally have to be negotiated and will be in the simplest possible form, subject to applicable laws.

VII - The United States is contemplating requesting Libyan agreement to the establishment of additional military facilities, which will be identified as soon as possible.

VIII - The Ambassador wishes to visit Tobruk (preferably with the Prime Minister) in order to explain in detail to the King exactly what the United States is prepared to do for Libya, as well as to make a normal courtesy call.

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